

Formed as a result of voter approval of Prop. 302 in Nov. 2000, AZSTA is dedicated to enhancing Maricopa County's economy and the community's quality of life through the development of professional and amateur sports facilities, the attraction of entertainment, sporting, and business events, and through tourism promotion.

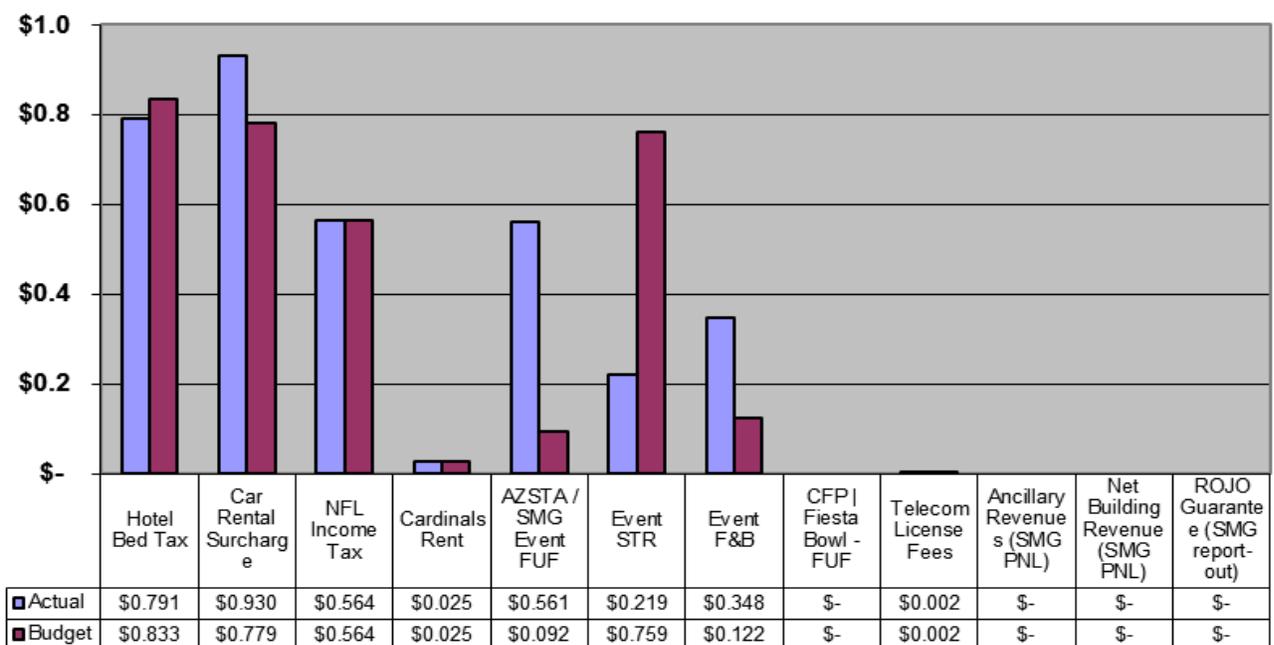


## Home of 2017 NCAA Men's Final Four

### FINANCIAL OVERVIEW

*Sources – The following chart lists AZSTA revenue receipts for the month of September 2016; which represents transaction activity primarily from July 2016.*

#### AZSTA Revenue Sources - September 2016 (\$M)



**REVENUE** The Authority's total revenues for the month are greater than the FY2017 budget forecast for the month by a total of \$ 263,000 / 8.28%.

NOTE: This positive variance vs. budget for the month is driven by both the Tourism and the Facility revenue components: Total Tourism Revenues (TRCA) for the month are greater than budget forecast by \$108,303 / 6.72%.

Total Facility Revenues (FRCA) for the month, are greater than the budget forecast by \$154,697 / 9.89%. The individual FRCA revenue line items that drove this "good news" vs. budget for the month were Facilities Use Fees (FUF) @ \$ 469,334 / 509.68% better than budget for the month and Concessions Commissions @ \$ 225,855 / 184,64% better than budget for the month.

The individual revenue components and their performance vs. budget for the month are as follows:

**The Tourism Revenues (TRCA)** (hotel bed tax and car rental surcharge) posted **\$ 1,720,565** in total; which is \$ 108,303 / 6.72% better than the budget forecast for the month.

**Hotel Bed Tax** reported **\$ 790,516**; which was (\$ 42,519) / (5.10%) less than budget for the month.

**Car Rental Surcharge Tax** posted revenue receipts of **\$ 930,071**; which was \$ 150,823 / 19.36% better than the FY2017 budget forecast for the month.

**The Facility Revenues (FRCA)** includes:

The **NFL income tax**. This monthly revenue is determined by the Arizona Department of Revenue prior to the start of each fiscal year. This FRCA revenue receipt for FY2017 will be **\$563,530** per month. It is anticipated that each month in FY2017, the NFL Income Tax will be @ budget.

**AZ Cardinals Rent** is pre-determined via the agreement with the Authority. This month, the receipts received were for the month of August 2016 and equaled the contracted amount for FY2017 @ **\$25,396**. It is anticipated that each month in FY2017, the Cardinals Rent will be @ budget.

The **Facility Use Fees (FUF)** receipts for the month were **\$ 561,417**; which is \$ 469,334 / 509.58% better than the forecasted FY2017 budget for the month. These FUF receipts represent the FUF revenues from events held at the stadium in June 2016 (COPA soccer). Timing issues are the norm for this revenue component vs. the forecast budget: i.e. relating to when the FUF revenues are collected, the accounts get settled with the event promoter; and the Authority receives the FUF \$. The FUF revenues are reported when paid to the Authority; as disclosed in the SMG financial package review for any given month. It is anticipated that the total FUF for FY2017 will be better than budget at year-end.

**Sales Tax Rebate / Recapture (STR)** revenues receipts for the month were **\$ 219,936** = (\$ 540,448) /

(71.17%) less than the FY2017 budget forecast for the month. This large negative variance vs. budget is actually from the receipts by AZSTA of prior month's STR (July 2016 sales transactions that generated the sales tax remittance to both the City of Glendale and to the State of Arizona Department of Revenues in August = STR revenues to AZSTA in September 2016). As described above, this revenue source is subject to timing issues related to when the Authority actually receives STR distributions from the City of Glendale and/or from the State of Arizona-Department of Revenue. These timing delays are driven by the date of the event, when vendors file their tax returns / remit their applicable sales taxes to these two taxing authorities; and then, when these taxing authorities are able to process the tax returns and revenue receipts, and, finally, when these two taxing authorities send the Sales Tax Rebate/ Recapture to AZSTA. It is anticipated that the total STR for FY2017 will be better than budget at year-end.

The **Concessions (food & beverage) Commissions** receipts for the month were **\$ 348,181** = \$ 225,855 / 184.64% better than the budget for the month. This FRCA revenue source has a similar timing issue related to when the F&B commission revenues are collected, calculated, and reported on the month-end commission workbook by ROJO Hospitality vs. when the F&B commission check gets released to AZSTA. The receipts this month were from August 2016 F&B sales....which included 2 AZ Cardinals home games.

The **Fiesta Bowl Facilities Use Fee (FUF) / Ticket Use Fee (TUF)** receipts for the month were **\$0** for the month. Note: the Fiesta Bowl FUF & TUF revenue sources are scheduled for 1 month per year = for the remainder of the months, there is nothing to report.

The **Telecom License Fees** revenues represent a license fee paid by a carrier for the lease of a telecommunications tower located on the stadium property. The receipts for the month = **\$ 2,045** vs. the monthly budget forecast @ \$2,050 = \$(5) / 0.25% less than budget forecast for the month.

**Year-to-Date Tourism Revenue receipt (TRCA)** are **\$ 6,136,953** = \$ 555,117 / 9.95% better than the YTD budget forecast for the first 3 months of FY2017.

**Year-to-Date Facility Revenues (FRCA)** are **\$ 7,775,805** = \$ 4,475,855 / 135.63% better than the YTD budget forecast for the first 3 months of FY2017.

Authorized by:



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Note: This monthly report is required by Arizona Revised Statutes Section 5-814. A. which states that.... "Within three weeks after the end of each calendar month the authority shall prepare a report signed by the executive director of the authority and transmit the report to the governor, the legislature, as provided by section 41-1178, and the joint legislative budget committee. The report